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SÃO PAULO

IN ASSOCIATION WITH
TAVARES GUERREIRO ADVOGADOS

July 21, 2000

VIA FEDERAL EXPRESSAndrea Madigan
United States Environmental
Protection Agency, Region VIII
999 18th Street, Suite 500
Denver, CO 80202-2466**Re: *United Park City Mines--Richardson Flat***
Administrative Order on Consent for Focused RI/FS

Dear Andrea:

This is to follow up on the Administrative Order on Consent ("AOC") for the Remedial Investigation and Feasibility Study ("RI/FS") for the Richardson Flat Tailings Site ("Site"). As you know, on June 7, 2000, EPA sent our client, United Park City Mines Company ("United Park"), as well as three other PRPs, a letter entitled Notice of Decision Not to Use Special Notice Procedures ("Notice Letter") concerning the Site. By letter dated June 26th addressed to Carol Rushin, United Park submitted a good faith offer to participate in undertaking the focused Remedial Investigation and Feasibility Study ("RI/FS"). United Park did not submit its comments on the AOC at that time, however, because EPA and United Park were waiting to determine whether the other PRPs would be in a position to participate directly in the RI/FS process. Now that they have declined to participate directly, we are in a position to turn to United Park's specific comments and proposed revisions to EPA's draft AOC.

Enclosed herein is a black-line version of EPA's June 7th draft AOC, reflecting United Park's proposed changes. Most of the changes are self-explanatory. Nevertheless, we would like to take this opportunity to discuss the rationale for several proposed revisions of a substantive nature, in the hope that doing so will facilitate the upcoming negotiation session.

Section V--Findings of Fact. United Park is particularly sensitive to some of the factual issues derived through EPA's two attempts to list the Site on the NPL. While many of those concerns have been resolved in EPA's latest draft AOC, some issues remain.

Section VIII--Identification of Consultants. In order to avoid the need for yet another deliverable before work can begin, United Park has added specific reference to and identification of the consultants it intends to use during the RI/FS, in paragraph 23 of the AOC. United Park would like EPA to formally agree to these consultants in the AOC.

Section VIII--Tasks. Paragraph 24, dealing specifically with work to be performed, has been modified to invoke dispute resolution, and to provide somewhat more relaxed deadlines, for certain deliverables. The Technical Memorandum on Modeling of Site Characteristics was deleted because it is not called for in the Work Plan.

Section XIX--Stipulated Penalties. United Park wants to make it clear in the AOC that despite the stipulated penalties section, the agency may, in its sole discretion, impose a lesser penalty. Moreover, in light of its current financial condition, United Park is not comfortable agreeing to the levels of penalties set forth in EPA's draft and has proposed reducing the penalties as indicated.

Section XXI--Past Costs. United Park's willingness to undertake the RI/FS at this juncture does not alter its position regarding EPA's past costs incurred in past attempts to list the Site on the National Priorities List ("NPL"). The Company's position on this issue is well documented. United Park is also concerned that if the issue of past costs is not resolved as between the company and EPA at this time, it may come back into play at a later stage of this project. United Park believes that we must come to an agreement on a final settlement and resolution of EPA's past response costs associated with the Site (see paragraph 86). As consideration for EPA's release of United Park for payment in full of all past response costs, United Park is prepared to offer to pay (subject to an accounting) all oversight costs EPA has incurred associated with the Site from January 1, 1999 until the effective date of the AOC. United Park does not know what that number is, as EPA alone has that cost data. United Park would also like to have an opportunity to review cost data for the period of time after January 1, 1999 before we can agree on a final number for paragraph 76 of the AOC.


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Section XXVI--Financial Assurance. While United Park does have the financial resources to perform the Focused RI/FS work, United Park is nonetheless a small company with significant assets but limited cash flow and liquid assets. As a result, it would be unreasonably disruptive to United Park's operations to require it to undertake a financial instrument or letter of credit to EPA to secure its performance under the AOC. According to Revisions to the Interim Guidance on PRP Participation (OSWER Directive #9835.2A), EPA has discretion, on a case-by-case basis, to determine what, if anything, a PRP must do to establish its financial qualifications. While United Park does have significant land holdings and other non-cash assets to establish that it has adequate resources to conduct and complete the Focused RI/FS activities in a timely manner, it lacks sufficient liquid resources to post a financial instrument to cover all anticipated costs, oversight expenses, plus a margin, without unreasonably interfering with its day-to-day operations. It is clearly in everyone's best interest that United Park remain a viable and financially sound entity so that it has the ability to address the Site as well as other properties that have environmental concerns. As a result, United Park requests that EPA agree to forego the requirement of financial instrument and instead use some other method to verify United Park's financial capability to complete the Focused RI/FS project. United Park notes that both under CERCLA and the AOC, EPA still has the right to complete any unfinished work and recover costs from United Park. Therefore, United Park believes that EPA's rights are adequately protected under the circumstances.

In closing, as you may know, Kevin Murray will be out of the office all next week. I will be in only on Thursday. Kevin is anticipating meeting with you to discuss the AOC during the following week while you are in town. You should also understand that while Kevin participated in the drafting of this letter and in the revisions to the AOC, he is in Canada this week and has not yet seen this final letter. He may therefore have additional comments or points of emphasis.

Very truly yours,

LEBOEUF, LAMB, GREENE & MACRAE, L.L.P.



Bret F. Randall

BFR/mj
cc: Kerry Gee
Hank Rothwell

Enclosure